EA & BPA

Benefits of Alignment

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INTRODUCTION

Joan has specialized in business analysis for more than 25 years and is currently involved in Enterprise Business Architecture. She was the first South African to qualify as a CBAP® (Certified Business Analysis Professional) and has also trained in TOGAF® and Zachman Frameworks.

Joan is the Director of Education on the Board of the IIBA®-SA Chapter that she co-founded. Joan lectures in Business Analysis for ESI-International (an IIBA™ Endorsed Education Provider) and is an Executive Consultant in Business Architecture and Analysis, consulting to organizations at a strategic level and providing mentoring and coaching at a tactical level.

'A means of delivering value to customers by facilitating outcomes customers want to achieve without the ownership of specific costs and risks'.

There is an increasing need for organizations to adapt quickly and anticipate changing customer requirements and business goals in today's economic climate. This need influences the entire chain of activities within a business from the organizational structure to the network infrastructure. How should an organization control the impact of these changes? 'Architecture and Project Alignment' is the answer.

Architecture consists of principles, methods and models that are used in the design and realisation of organizational structure, roles, products & services, business processes, information systems and technology infrastructures. However, oversight of these domains is traditionally not approached in an integrated way, making it difficult to judge the effects of proposed changes or even to measure the changes. Every organization domain speaks its own language, draws its own models, and uses its own techniques and tools. In a number of cases, application and information systems are developed to support particular products or functions in the organization as stand-alone solutions with limited or no integration into the core legacy systems. The results are that Communication and Decision-making across organizational domains is seriously impaired as executive management teams struggle to obtain accurate information to manage current operations and determine future strategies.

THE ENTERPRISE ARCHITECTURE FRAMEWORK

Increasingly, TOGAF is becoming the de facto framework adopted by many organizations to align the various Architecture Domains, more specifically the IT Domains of Information Systems Applications and Technology. However the one Domain that has seldom received the same amount of attention as the IT Domains is the Business Architecture Domain. Business Architecture takes a holistic interest in all aspects of the organization, beginning examinations from the 40,000 foot view of the organization within the context of its marketplace and then drilling down into the details at a level granular enough to successfully direct and coordinate the implementation work within the various parts of the organization. This implies that Business Architecture provides high-level conceptual models of the components that make up the organization including the technology components.
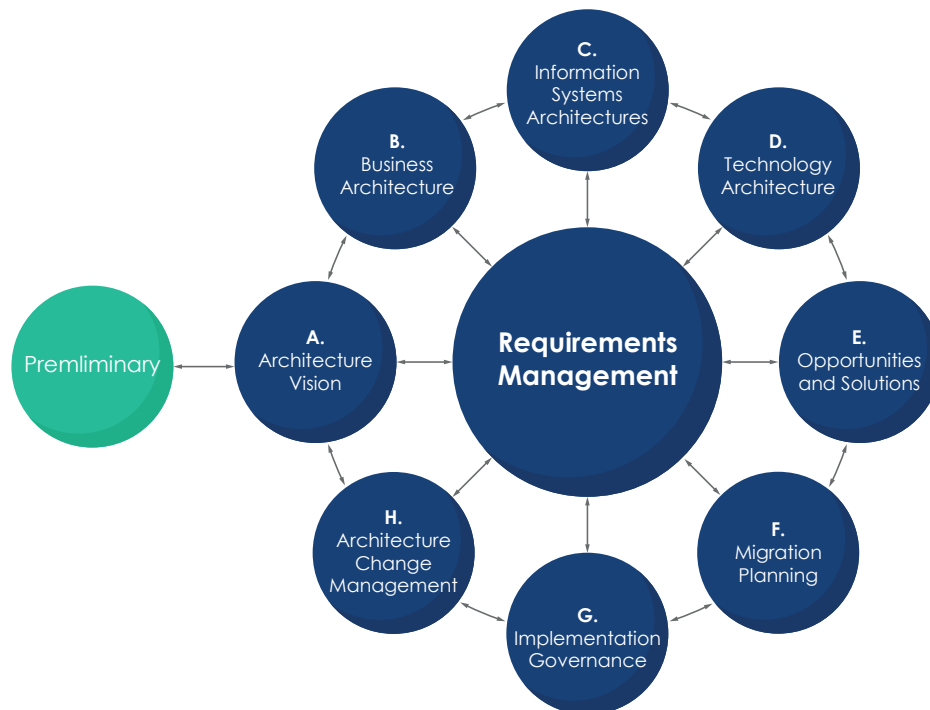
A business strategy is defined as:
The approach determined by executive management to achieve the organization's goals and objectives.

Significant work should be undertaken to analyse the organization at the strategic level which includes:

- Understanding how the organization's Customers perceive value from the organization's products and services (core business)
- How Customers see the organization as one company selling and servicing products – (customer service is usually greatly compromised in a 'silo'd' organization)
- How the organization's processes (and human resources) support the delivery of its products and services
- How IT supports the business processes, and…
- A review of the project portfolio

THE ENTERPRISE ARCHITECTURE FRAMEWORK (CONT...)

Following this a gap analysis will identify why strategic goals cannot be achieved. Business Architects/Strategic Enterprise Analysts work with the Executive Management Team to transform corporate strategy into cross-organizational business designs that enable the organization to increase market share, provide consistent customer service across channels, increase profit margins and flexibility, reduce risk and negative impacts and ensure projects deliver quantifiable benefits to the organization. When gaps are identified, they are aligned to organization strategic goals and a roadmap of agreed and justified projects is produced that will transition the organization from its current state to the desired future state.

The work effort undertaken typically includes:

- Designing dynamic, flexible new models for businesses that enable them to adjust and thrive in constantly changing competitive environments.
- Preparing business case decision packages that provide Executive Management with the information they need to make wise decisions.
- Incorporating the insights of customers, line employees and middlemanagement to ensure their unique needs are accommodated.
- Engaging subject matter experts (direct and indirect stakeholders) throughout the organization in the solution process.
- Co-ordinating and prioritizing solution requirements to remove conflicts.
- Defining metrics that provide the data necessary to make improved decisions in the future.
- Generating business decision packages and translating them into terms relevant audiences can understand, embrace and make Go/No Go decisions.

Business Issue

Organization Units · Staff & Skills · Strategy · Data · Organization Demographics · Networks · Functions · Systems · Suppliers · Infrastructure · Customers · Solutions · Workflow
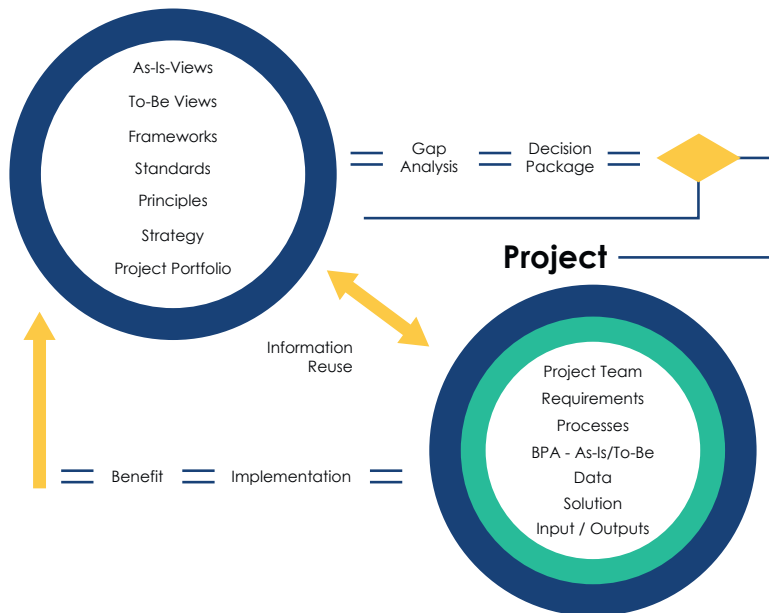
ENTERPRISE ANALYSIS

The decision package, an output of strategic enterprise analysis, includes the results from the risk assessment, feasibility study, financial economic indicators, the business case and other documents that help the organization to decide whether projects will return value.

Therefore, the Business Case decision package is the overarching document that includes all the outputs of the strategic enterprise analysis effort and provides the input into the project domain that the dedicated project team members will use to decompose the high level business requirements into solution functional requirements given the scope of the project. Projects use sub-sets of the architecture elements thus it is important for Enterprise Architecture practitioners to break the organization components down to the lowest (atomic) level that is fit for reuse. Enterprise Architecture can be likened to ensuring the shelves in the stockroom carry all of the components needed to build, operate and manage the

Enterprise Analysis provides the organization with a global view of its:
Operations, Processes, Information, People, Assets, Customers, Suppliers and IT Architectures collectively known as the Enterprise Architecture and objectives.

business. The components are unique to each organization and industry. As John Zachman described so succinctly when I attended his presentation years ago, if your organization builds aircraft, then the stockroom must carry all the components needed by the (project) team to build the aircraft. This would include fuselage, wings, wheels, nuts, bolts, brakes, carpets, seats, kitchen utensils and including the technology required in the cockpit to provide the pilots, navigator, air-traffic controllers, airport management, etc. with the necessary information to operate and manage the flight process – pre-flight preparation, during the flight and post-flight information. Enterprise Architecture practitioners must be able to describe the parts that make up the whole. Frameworks such as TOGAF, Zachman, e-Tom, FEAF, etc. provide guidance and governance on how to structure and categorise organization information into meaningful parts that can be used by (project) teams and management to operate and manage the business. This is especially necessary in Service Industries where the parts are intangible and are not as easy to define as the parts in a manufacturing industry.

Diagram

As-Is-Views
To-Be Views
Frameworks
Standards
Principles
Strategy
Project Portfolio

Gap Analysis — Decision Package

Project

Information Reuse

Benefit — Implementation

Project Team
Requirements
Processes
BPA - As-Is/To-Be
Data
Solution
Input / Outputs

THE WHITE PAPER

The goal of this White paper is to share knowledge of how integration from Architecture models (Conceptual) are reused during Business Analysis on Projects (Logical) through to Services and Network Models (Physical) using an integrated Architecture and BPA tool.

Enterprise Architecture today must focus on all the organization components to maximise efficiency and to reduce risk and cost.

Enterprise Architecture is a critical element for making the business vision a reality.

The three most prominent considerations are:
- *The need for closer alignment with the business strategy*
- *The desire for simple and controlled implementation (project portfolio management)*
- *Greater usability (complete requirements) across organization domains*

Business EA Focus Today Includes

- Operations
- Core Competencies
- Roles
- IT Architecture(Including SOA)
- Customers
- Suppliers
- Products / Services
- Channels
- Processes
- Information
- Structure
- Projects

Traditional EA - IT Focus

- Processes
- Data
- Applications
- Technology (IT Architecture)

AN INTEGRATED EA AND BPA VIEW

To understand the organization components, Enterprise Architecture practitioners create the componentised structure views displayed in the models forming the boundary in the below example. Each model and the icons used within the model are objects that provide information about the organization element it represents. For example, a high level organization structure model is decomposed into Divisions and Departments with Roles allocated to departments. An organization location model provides information of the geographical territories the organization operates in. A Conceptual meta-data model provides information about the elements/entities the organization must keep in order to manage the daily operations of the business. Business Systems models provide information about the functionality of each system and the technology used. System Use Case diagrams show how actors interface to the systems and the features the system must have for them to perform their job functions.

In the centre of Fig. 4 ,on the left, are two process models (using BPMN2) that consume objects from the structure models to define the behaviour of how work flows for a given process/activity, such as Capture Order. Process models are usually defined at different levels and the above example shows how one activity is decomposed to a sub-process that shows activities at a lower level.

Below is another example of a low level business process diagram that shows reuse of services (taken from a service catalogue (ITIL Module)) that interface to legacy systems (reused from Application catalogues).
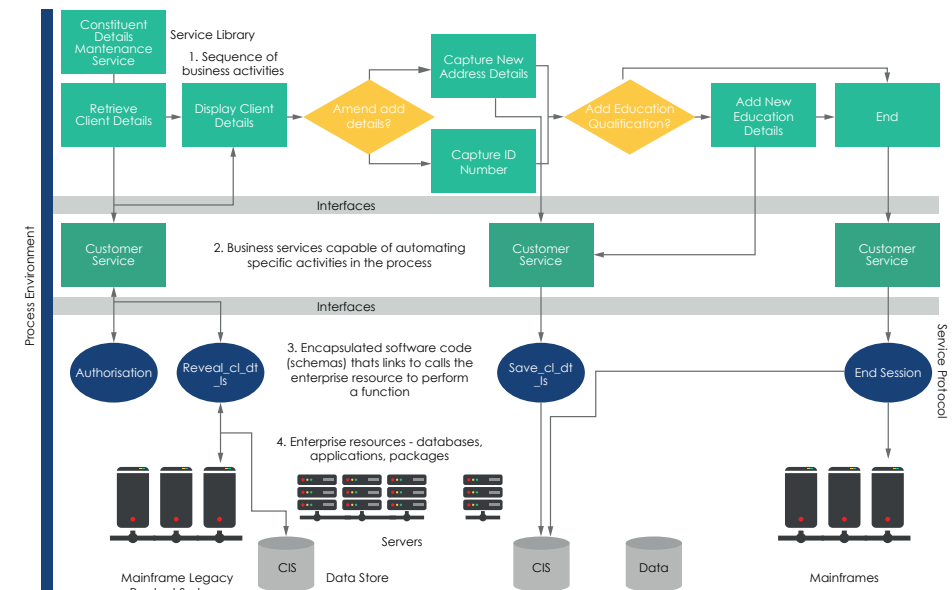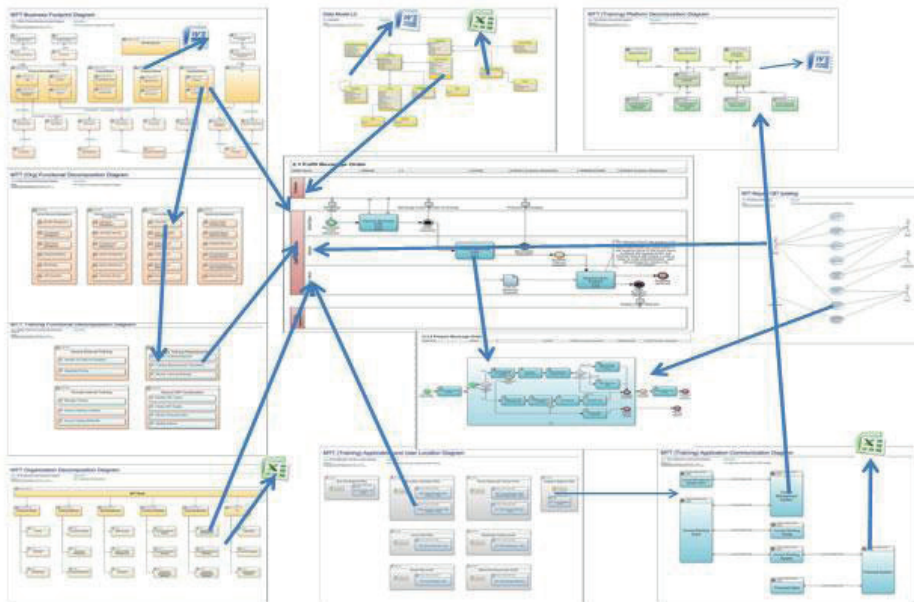
BENEFITS OF EA AND BPA ALIGNMENT

If we go back to the opening paragraph of this white paper, for an organization to adapt quickly, anticipate changing customer requirements and leverage competitive advantage, a holistic understanding(As-Is) view of the organization is required. We also need to understand the impact and/or influence on the entire chain of activities within the business, from the organizational structure to processes, to people, to applications and to the network infrastructure. No longer can organizations keep silo blinkers on, a wide view of the organization is needed. For example, if the organization needs to retire or replace an application and its technology due to the market no longer providing support for it, the Executive Management team needs to be given accurate and meaningful information of all the organization elements that will be impacted by their decision to retire/replace the application.

Another example relates to cost. What is the cost of doing business today? If we cannot measure the cost of business today, how do we know when it has been improved? By storing cost information at object level, it is possible to calculate the total cost of each business process and IT component and therefore manage the organization's KPIs (Key Performance Indicators) in a meaningful way that influences sound decision-making.
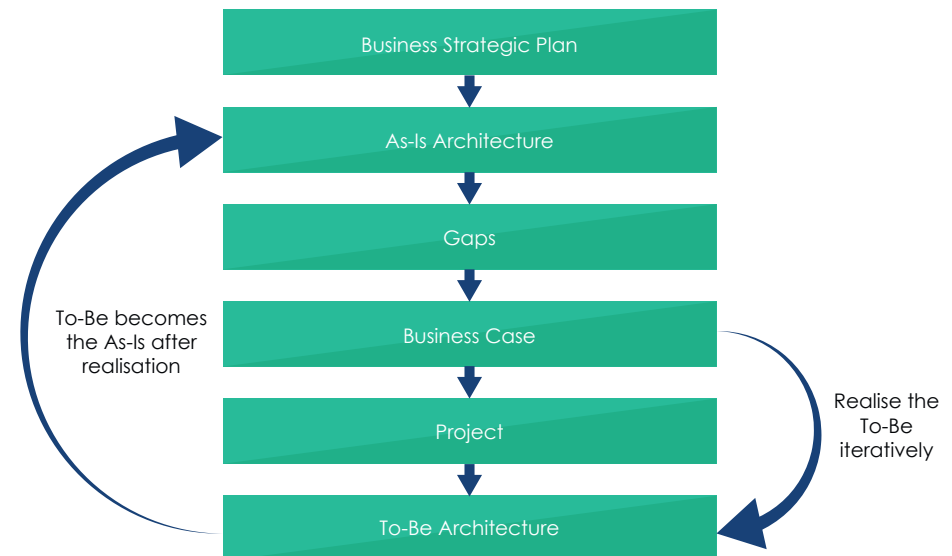
Questions to consider when developing the As-Is Views:

- What products or services are provided / created and with whom does the business interact to create and/or provide the services?
- To whom does the business make payments and who makes payments to the business?
- What channels does the organization use to deliver its products or services to customers?
- How is information exchanged between the organization and its key stakeholders?

- In which countries or geographic locations does the organization conduct business?
- What existing documentation illustrates the current business processes and overall business interactions?

When using the top-down approach, the business strategy and business goals drive the development of the TO-BE enterprise architecture. The bottom-up approach focuses on identifying the requirements to integrate individual projects into the business strategy.

A combination of approaches satisfies the need to solve individual urgent business needs and provides the framework for implementing the business strategy.
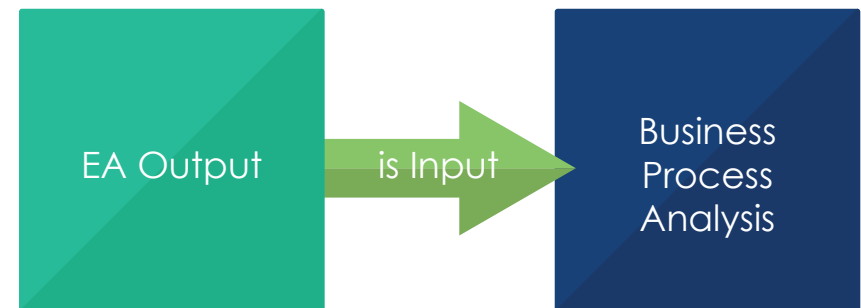
BENEFITS OF EA AND BPA ALIGNMENT (CONT...)

Questions to consider when assessing the impact of the To-Be:

- Is the initiative proposed in the TO-BE enterprise architecture valid?
- Which requirements for the TO-BE enterprise architecture are directly affected by the business strategy?
- Are there dependent requirements?
- Are the changes to the enterprise architecture clearly stated so that the organization can negotiate contract changes with customers and suppliers if necessary?
- Will the change to the enterprise architecture affect quality attributes of the deliverables?
- Will the change to the enterprise architecture affect existing or proposed projects?
- Will the initiative require changes to existing CSFs or KPIs?
- When developing the TO-BE IT architecture, the IT architecture team needs to employ a sound traceability methodology to ensure that each requirement for the IT architecture is derived from a requirement for the TO-BE enterprise architecture. EA therefore helps the organization

EA therefore helps the organization to:

- Develop an overarching blueprint for the organization's current(As-Is) operations
- Understand the organization could be structured differently to achieve the business strategy (the TO-BE enterprise architecture) (vision)
- Determine how to meet the business strategy by prioritizing projects
- Ensure that operations align with the strategic direction of the organization
- Gain insight into duplication of effort and redundant projects
- Gain insight into the data the organization needs to keep in order to provide management information
- Effectively manage the project portfolio and initiate portfolio management reviews
- Determine ways to make the organization easier to do business with from the customers and suppliers perspective
- Help the organization leverage increased returns by determining whether the benefits from individual projects have a broader benefit to the organization.
- Determine the best solution approach (documented in the Business Case) for projects to implement that will trace back to the business strategy and business requirements.

EA Output	is Input →	Business Process Analysis

BENEFITS OF EA AND BPA ALIGNMENT (CONT...)

Business Process Analysis uses the output from EA to determine:

- Who will be affected by the processes if they are changed, who are the stakeholders?
- How do the processes fit within the enterprise architecture? How do they fit within the AS-IS and TO-BE business interaction models created during the analysis of the enterprise architecture?
- How will the processes enhance or support what customers perceive as value?
- Ensure that metrics for the TO-BE processes mirror those for the AS-IS processes

- Plan for process monitoring tasks
- Model the processes and examine integration points between processes
- Examine the business interaction model to identify the affected business areas
- Identify the effects of the risks on the business areas' abilities to achieve the business strategy when the TO-BE processes are implemented.
- Validate all models and documentation with the appropriate users and stakeholders
- Provide all models to the Architecture team so that they can be centrally controlled.

'How will the processes enhance or support what customers perceive as value?'.

CONCLUSION

Collaboration is key to Architecture and BPA efforts. A significant amount of work is involved to keep track of all the different models and supporting documentation. Projects (IT and Non-IT) launched to implement the TO-BE enterprise architecture are managed through portfolio management after prioritizing initiatives based on:

- The return on investment
- The Benefits that can be realized by multiple business areas
- Maximum use of resources, such as personnel, IT equipment, applications, databases, facilities, and materials
- Falling within the risk tolerances of the organization

After any To-Be Architecture is implemented, it must be continually monitored and updated to ensure the organization operates at optimum level.